Sustaining the Entrepreneurship in Rural Tourism Development

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Abstract

Entrepreneurs play an important role in sustaining rural tourism and formulation of sustainable strategies being the initiators of the tourism business and the engine of the local development. Therefore, it is necessary to stimulate the development of entrepreneurial activities for the recovery of rural tourism potential and regional traditions, maintaining local employment growth and increase living standards in line with identifies needs and priorities of regional human resources development. This article aims to discuss the involvement of local communities in development of rural tourism entrepreneurship as well as addressing the issue of entrepreneurship in rural tourism.

Keywords: Rural development; Tourism entrepreneurship; Local’s economic impacts; Sustainability of rural tourism

Introduction

There is no denying that tourism can contribute to economic benefits as it seeks to create employment opportunities (Sharpley and Forster, 2003; Tao and Wall, 2009; Walpole and Goodwin (2000) and income generation (Briedenhann and Wickens, 2003; Chifamba, 2013; Eshliki and Kaboudi, 2012; Sharpley, 2002; Tao and Wall, 2009) as well as to create new entrepreneurship field (Ahmed and Jahan, 2013; Cloesen, 2007) and assist the potential entrepreneurs to seek opportunities to develop new tourism products and services (Chiutsi and Mudzengi, 2012).

By engaging in tourism activities, it can reducing the rate of unemployment among the local community (Fons et al., 2011) and thus can reduce the incidence of poverty (Fons et al., 2011; Zaei and Zaei, 2013). According Akunaay et al., (2003), community participation in the tourism sector is one of the strategies to reduce poverty. Rural development strategy also identified the tourism sector serves as a major tool for alleviate poverty by emphasizing the rural economy as the engine of economic growth that will stimulate the growth of pro-poor. The poverty rate among people should be eradicated to ensure their quality of life in the good condition. Therefore, the potential of the tourism sector is seen to improve the quality of life and well-being of the community (Aref et al., 2010; Ahn et al., 2002; Fons et al., 2011; Kokkranikal et al., 2010; Liu, 2006; Lordkipanidze et al., 2005; Miller, 2001).
There are many scholars and researchers who focus on the study of community participation in tourism development. This research focuses on aspects such as the extent to which rural tourism development will empower the local community to participate in the development agenda in the destination area. Therefore, this article aims to discuss more about the development of rural tourism entrepreneur whose role is to catalyse the sustainability of the local community. The framework provided in Figure 1 below to summarize the discussion of this study.

**Rural Development**

Rural development is one of the aspects of national planning which seeks to improve the quality of life of the local community in order to achieve sustainable development (Iorio and Corsale, 2010). Rural development aims to improve livelihoods by implementing comprehensive development for rural areas where a majority of people in poverty live. Thus, it can also contribute to reduce poverty in urban areas by reducing excessive population influxes from rural areas (JICA Research Institute, 2015). Mukhtar (2009) sees rural development as a process of bringing improvement in the living conditions of rural dwellers through employment generation and entrepreneurship development in the rural areas. While Jha and Jha (2008) define rural development as the process of developing and utilizing natural human resources, technologies, infrastructure facilities, institutions and organizations to improve the quality of life in the rural areas.

**Definition of Rural**

According to JICA Research Institute (2015), the definition of “rural” differs by country, though it is usually used in contrast to “urban”. For instance, this word is defined based on population density in Japan, indicating an area other than “an area with over 5,000 people, which consists of each district with a population density of over 4,000 per square kilometer”. However, they cannot simply apply this definition to other countries. Moreover, due to the fact that the concept of “rural” varies from Asia to Africa, it is difficult to define it uniformly. Therefore, the use of “rural” (including fishing and mountain villages) as a relative concept to “urban”, based on social, economic, and natural conditions in each country may be
most adequate. The term could also be used to describe areas where a majority of the residents are engaged in agriculture in a broad sense (including livestock farming, forestry and fisheries).

Meanwhile, the U.S. Census Bureau’s classification of rural consists of all territory, population, and housing units located outside of urbanized areas and urban clusters. Urbanized areas include populations of at least 50,000, and urban clusters include populations between 2,500 and 50,000 peoples. The core areas of both urbanized areas and urban clusters are defined based on population density of 1,000 per square mile and then certain blocks adjacent to them are added that have at least 500 persons per square mile (Andrew et al, 2007).

According to Adisa (2012), rural could be defined in varying contexts depending on where and what criteria are used. Using some sociologically idealized models of differentiation, Adisa (2012) identified what was referred to as ‘very general’ differences in the rural-urban typology:

1. Size of place: rural communities tend to be generally smaller in size of area inhabited than urban communities

2. Population density and composition: number of inhabitants per unit area of land in rural communities is always smaller than for urban centers. Rural populations also tend to be less heterogeneous than urban populations.

3. Closeness to nature: rural environment permits greater and more direct closeness to physical environmental elements such as soil, wind, radiation, parasites and microorganisms.

4. Occupation: farming and other primary production activities are generally the major occupations in rural communities, unlike urban centers where organization, commerce and industry take the center stage.

5. Cultural simplicity: complex culture, high fashion, music and literature are more associated with urban areas than rural ones.

6. Social interaction: primary group contacts form the main feature of social interaction in rural areas, while secondary contacts define most interactions in urban centers.

7. Social stratification: there are generally fewer social classes in rural areas than urban areas.

8. Social mobility: urban dwellers often move more rapidly from one social stratum to the other than their rural counterparts.

9. Social differentiation: rural areas tend to have very little division of labor and specialization and are thus made up of several similar independent units, unlike urban centers.

10. Social control: there is usually greater internalization of societal values and norms I rural areas, thereby leading to higher levels of social control than in urban centers which relies more on formal institutions.

11. Levels and standards of living: although this is not true for all places and periods, urban centers, due to the presence of a variety of infrastructures, goods, and services tend to offer higher levels of living than rural centers. Especially in developing countries, urban centers tend to offer higher standards of living due to better housing, education, health and communication facilities.
Rural Tourism Development

Since the 1970s, economic restructuring and the farm crisis have reduced rural communities’ economic opportunities. These changes have limited rural communities’ economic development options, making older development strategies less viable and forcing many to look for nontraditional ways to sustain themselves (Wilson et al., 2001). According to Luloff et al., 1994, one of the most popular nontraditional rural development strategies has been tourism and its associated entrepreneurship opportunities because of tourism’s ability to bring in dollars and to generate jobs and support retail growth. It is the same point of view with Surugiu (2009) where, in the context in which to find solutions to revitalize rural economies, tourism is a means for regeneration and economic future of rural areas, particularly where traditional agricultural activities are restrictive. Many planners, practitioners and scientist consider that the future of rural communities is in economic, social and political opportunities created through tourism.

Besides, rural tourism also is less costly and easier to establish than other rural economic development strategies such as manufacturing. Rural tourism can be developed locally with participation from local government and small businesses, and its development is not necessarily dependent on outside firms or companies (Wilson et al., 2001). According to Dimitrovski et al., (2012), the rural areas have a unique opportunity to attract tourists by the means of establishing a connection between rural areas and their cultural, historic, ethnic and geographical roots. It is easier to organize rural tourism than manufacture, for example. It is possible to develop rural tourism locally with the involvement of small and medium-sized companies and with no direct connection to these companies. The study by Ahmed and Jahan (2013) found that rural tourism in Bangladesh offers many tourist activities such as nature-based tourism, tourism heritage, agricultural tourism, cultural tourism and tourism riverine.

By the increasing of these products of rural tourism, tourism activities can encourage rural communities to participate in the tourism industry and contribute to the creation of new growth centres and thus can create new entrepreneurship among local communities (Ahmed and Jahan, 2013; Cloesen 2007; Iorio and Corsale, 2010). Thus, the economic development of the community in rural areas can be improved by offering tourist destination (Cawley and Gillmor, 2008) and the existence of support services which aim to provide and supply the needs of the tourists. Therefore, the existence of several business firms such as hotel, motel, restaurant, transportation agencies, travel agents, tour operators, gift shops, car drivers or rickshaw (Faulkner and Tideswell, 1997), sales of handicraft items (Ahmed and Jahan, 2013; Okech et al., 2012; Tao and Wall, 2009) and others to ensure tourists feel comfortable and attractive travel experience.

Consequently, it will contribute to the provision of employment opportunities as well as to improve their income level and standard of living (Briedenhann and Wickens, 2003; Chifamba, 2013; Eshliki and Kaboudi, 2012; Fons et al., 2011; 2013; Iorio and Corsale, 2010; Sharpley, 2002; Sharphey and Forster, 2003; Tao and Wall, 2009). In addition, rural tourism also contributes to economic growth, sociocultural, protection and improvement of the natural environment as well as the provision of infrastructure (Ahmed and Jahan, 2013; Briedenhann and Wickens, 2004; Molina et al., 2012).

Therefore, it is obvious that rural tourism plays an important role in developing the economic level of society towards better and sustainable life. The development of tourism brings benefits in rural areas such as reducing the migration of the local population, vocational training, the eradication of gender discrimination and other social categories, improve social and cultural existence, opportunities for social interaction, participation of residents in decision making (Aref et al, 2010) and to promote the arts and crafts practiced by the community (Ahmed and Jahan, 2013; Okech et al., 2012; Surugiu, 2009; Tao and Wall).
In order to enhance the development of rural tourism, Cawley and Gillmor (2008) build a model of integrated rural tourism that aims to identify characteristics that promote the overall added value to identify the stakeholders and relevant issues that require attention to fulfil the objectives more effectively (Liu, 2006). The model takes into account a variety of sources including cultural, social, environmental and economic. The role of specific stakeholders is to explore the role of effective methods to promote tourism as part of its rural development strategy (Blancas et. al, 2011; Chifamba, 2013; Komppula, 2014). Rural tourism development strategy that has been discussed is seen as crucial to bring rural communities that are still lagging behind in the rural areas into the mainstream of development and to enhance their quality of life (Liu, 2006).

**Community Based Tourism Entrepreneurship (CBTE)**

Entrepreneurship is considered a central force of economic development, as it generates growth and serves as a vehicle for innovation and change (Lordkipanidze et al., 2005). The entrepreneurship offers various advantages to local, regional and national economies especially through its development. According to Kim (1996), entrepreneurship provides benefits to the community so that individuals and organizations become accountable and responsible for their respective areas. Thus, entrepreneurship in rural areas is usually community-based, has strong extended family linkages, and has a relatively significant effect on a rural community (Jaafar et al., 2014). The involvement of entrepreneurs in promoting and stimulating tourism in rural areas will provide new perspectives to local communities through a greater openness and interest on their part for the effective recovery of tourist resources (Surugiu, 2009).

**Entrepreneurship and Small Business**

Until today, there is no single definition is actually right that is acceptable to the term of entrepreneurs as the term is growing along with the development of the theory. According to a summary of the development of entrepreneurship theory described by Ab. Latif. (2012), the entrepreneur is a person whose position is between suppliers and users. The definition of entrepreneurs turned into someone who is willing to bear the risk of profit and loss as a result of a contract with the government at a fixed price in the 17th century. Bula (2012) added that of entrepreneurs is someone who is willing to take risks, the coordinator and organizer, leader and creator of the creative. Although this feature is not fully comprehensive, but it may help explain why some people become of entrepreneurs and vice versa. Based on reviews of Bula (2012), some researchers are looking at entrepreneurship from the perspective of economics, sociology and psychology as well as from the perspective of management.

Lordkipanidze et al., (2005) adds, entrepreneurship is regarded as a 'hero' because it can help other entrepreneurs to realize success and this should be seen by society as an example of success. In addition, they found not only the basics, but also personal skills, motivation and recruitment initiatives are important factors when starting a new business. However, the appropriate policy needs to create an entrepreneurial environment that is comfortable for other potential entrepreneurs to start new businesses. The development of entrepreneurship acts as a new venture as well as contribute to the development of a destination by creating competition, cooperation, specialization, innovation, investments (Lordkipanidze et. al, (2005) and risk-taking (Bula, 2012). Entrepreneurship and the creation of new business are important to create and sustain a healthy economy because it creates new job opportunities and a contributor to economic sustainability (Komppula, 2014).
Empowering Community-Based Tourism Entrepreneurship

In order to develop rural tourism sector, it is important to relate it to the field of entrepreneurship as one of the strategies in the development of a country and is an element of support and development of rural tourism (Komppula, 2014; Surugiu, 2009). Thus, it is seen as a catalyst which can overcome all the problems associated with economic growth, social inequalities and creating employment. In many developing countries, entrepreneurs in the tourism sector is increasing and thus helping the government to strengthen and build the strength of small and medium industries (SMIs) which may reduce the rate of unemployment among the local community Surugiu (2009) and contribute towards poverty reduction (Fons et al., 2011).

The tourism industry is comprised of various business fields that offer different services to tourists. Tourism business also includes the transport business, business of accommodation, tourism operators, tourism travel agents, tourism promotion and advertising business, businesses involved in travel insurance and finance, business of food and beverage, entertainment business, nature park, zoo, business that organizes concerts, theatre and design, business of games, organizing conventions and business meetings, businesses that produce and sell travel goods (Uriely et al., 2002). The study also similar to a study conducted by Goodwin and Santilli (2009) on the community of Ban Nong Khao, Thailand where the locals will provide tourism activities to visitors through the sales of local food products, hand-woven fabrics, baskets and bamboo as well as cultural performances. Among the local products are the source of coconut cake, coconut water and carpentry products. To further promote tourism, the locals are always connected and communicate with travel agents in Bangkok and overseas.

Therefore, Surugiu (2009) also addressing the issue of entrepreneurship in rural tourism, identifying its potential to stimulate the rural areas of Romania. Tourism in general and rural tourism in particular is dominated by small business where the spirit of initiative, desire to achieve and the ability to identify market opportunities and to fructify effectively are essential. In particular, tourism helps two types of small business in rural areas, which otherwise would not have occurred in rural communities, namely those directly involved in tourism (accommodation and food unit representing small hotels motels, pension, small restaurants) and these involved indirectly in tourism (e.g. food stores, construction firms). It also develops a sense of entrepreneurship that has not existed in the area. The result of the research shows that the vast majority of those who started the business in rural tourism have preferred the accommodation of tourists in their own households or in a new built accommodation structure. Other activities (food, marketing handicraft, traditional products, organizing recreational activities-fishing, hunting, folklore evenings, the arrangement of sports and recreational facilities-ski slopes, sports fields etc.) complete the main activity.

A study conducted by Chiutsi and Mudzengi (2012) found that based on a survey of the Community Based Tourism Enterprises in Mashonaland West Province in Zimbabwe indicate that local communities occupy a peripheral role in the tourism sector matrix. The real tourism industry is taking place outside of community control and influence. There is therefore need to build Community Based Tourism Enterprises (CBTE) capacity in terms of tourism product development, linkages with the tourism market and further enhance community collective awareness of tourism opportunities in their locality. It is therefore notable that a higher level of community tourism entrepreneurship leads to greater socio-economic benefits for the majority of residents leading to biodiversity conservation and sustainable tourism development.

Magigi and Ramadhani (2013) centred on understanding how local communities participate in tourism industry in Bwejuu Village in Zanzibar and the benefit they are getting towards poverty reduction. Their study identifies tourism industry activities and how local communities involve in
improving their livelihoods, find out factors influencing local community involvement in tourism sector and identify contribution of tourism sector in enhancing local communities’ livelihoods.

Zhang and Morrison (2000) aims to extend knowledge pertaining to SMEs in general within the context of the tourism industry, and to establish a richer understanding relative to major factors affecting the development of SME travel agents in China. The research results indicate that a series of internal and external factors are affecting the development of SME travel agents in China. Cooperative and collaborative networking is recommended designed to strengthen SME travel agency business models.

The purpose of the research by Sharma and Upneja (2005) were to investigate the factors influencing financial performance of small hotels, particularly in developing countries like Tanzania. Findings of this research suggest that operating factors in small hotels such as inefficiencies due to lack of employee training, low investments in fixed assets and technology may be equally responsible for low profitability as are government policies that ignore appropriate emphasis on ensuring safety and security, and quick processing of licenses and permits.

Lordkipanidze et al (2005) showed that entrepreneurial development is seen as a possible strategy for addressing those issues in the Soderslatt region. The main conclusion of this study on the enhancement of entrepreneurship in sustainable tourism underscores the insight that understanding entrepreneurial culture and climate for creating an enabling environment is a crucial precondition. Also, the focus should be on the supply of entrepreneurs in the region by providing motivating factors such as incentives or financial support, education and training. These factors can help entrepreneurs in the early stage of their activity and can help to create unique tourism products, contributing to sustainable tourism development. Promotion policies that can help to create widespread awareness of the benefits of the entrepreneurship to the economy and to the society have to be taken into account. Integration of entrepreneurial elements at all levels of the educational system, developing mentoring programmes as well as setting up a business service centre will help to increase the level of entrepreneurial development and help to shape positive attitudes towards entrepreneurship.

Dudensing et al., (2011) conducted a research by using survey data from tourism-based businesses and tourism promotion and economic development organizations in rural western Pennsylvania and West Virginia to compare how the various actors perceive the most pressing tourism promotion efforts and business challenges. In general, tourism businesses and support organizations agree on the promotional needs of tourism-based businesses and hold similar perceptions about industry problems. However, tourism promotion agencies underestimate the role of the internet in promotions and perceive workforce issues differently than do businesses. Better alignment of priorities within tourism partnerships should enhance promotional and educational efforts as well as the integration of tourism into overall economic development efforts. Besides, Galloway et al., (2011) also suggest that the internet is useful and necessary to firms in rural locations for reasons other than accessing the extended economy, and indeed, that the facility to afford growth via extended markets is substantially less important to rural firms than theory would have us deduce. They are also suggested that there is a role for development of theory along these less spectacular lines, and subsequent investigation of uses and benefits of the internet by rural businesses that more realistically engages with the consistent and prevailing evidence about the rural economy.

**Sustainable Tourism Development**

Sustainable tourism development is a sub-theme in sustainable development. Until now, this concept has always emphasized that the tourism sector is able to contribute significantly to the progress and development of the country. Sustainable tourism planning should minimize the ecological and socio-
cultural impact and at the same time improving the economic and social benefits (Bricker and Schultz, 2011). Therefore, the involvement of community members in development projects is a wise move towards sustainable development approach (Chili, 2015). By participating in the development effort, community members will ensure that their aspirations are taken into account in addition to getting jobs (Miller, 2001; Simkova, 2007), increase their understanding of projects, increase understanding of the benefits brought by travellers, cultivate a sense of responsibility to the resources available in the community and provide opportunities for them to control the development and use of local resources (Kayat and Mohd Nor, 2006).

In order to achieve sustainable development, the locals have to actively involved in tourism activities, especially for areas that rely heavily on tourism as a major source of employment as this is their opportunity to earn income (Tao and Wall, 2009) and improve their living standards (Lordkipanidze et al., 2005). In addition, Akama and Keiti (2007), proposed several tourism development strategies which aims to achieve sustainable community development. Among them are:

i. Increase local employment and self-employment.
ii. Development opportunities in the informal sector.
iii. The development of partnerships among public and private sector, NGOs and local communities.
iv. Improving the social and cultural impact.
v. Improve access to infrastructure and services provided for the convenience of tourists.
vi. Increase the participation of local communities in decision-making.
vii. Building capacity to promote public participation.

To achieve the aspiration of sustainable tourism development, it must be managed wisely and require a strong commitment from the government (Miller, 2001) non-governmental organizations and the local community itself to boost social development and generate economic opportunities that are more interesting, in addition to improving the transportation infrastructure in the tourist area to improve the living conditions of local communities (Blancas et al., 2011).

**Conclusion**

The entrepreneurship can bring significant benefits to rural tourism being an important driving force and its absence represents the main impediment to economic development and revitalization of the workforce affected by the restructuring. Those who want to promote tourism in an area must understand the nature of entrepreneurship and how can be encouraged and supported. Generally, the development of the tourism sector has helped in improving the country's economy. Moreover, it is very synonymous with life in rural communities who have lifestyles that vary by region. Given the development of the tourism sector in rural areas can provide many benefits to society, they must have quality competitive mainly in terms of mastery of knowledge, problem solving abilities and confidence to succeed. Rural development is vital to the rural communities are not marginalized than urban communities. It is important to ensure the sustainability of the future rural community. Therefore, rural development has to be enhanced to improve the income and quality of life of the rural population. All parties, whether government, private, open body governmental organizations (NGOs) and the rural population itself must always make the positive changes that rural communities no longer considered a passive group. In addition, cooperation between all parties involved is important that development can be carried out without any problems and development is carried out continuously.
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References


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